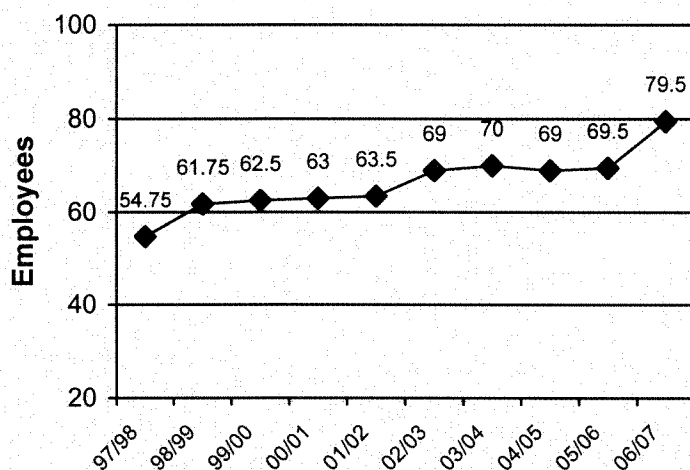


MISSION STATEMENT

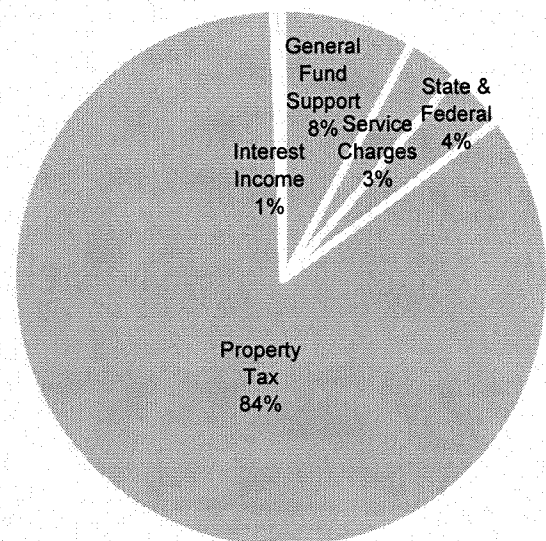
The mission of the San Luis Obispo City/County Library is to provide materials and services to people seeking knowledge, lifelong learning, and recreation.

<u>Financial Summary</u>	<u>2005-06 Budget</u>	<u>2005-06 Projected</u>	<u>2006-07 Requested</u>	<u>2006-07 Recommended</u>	<u>Change from 2005-06</u>
Revenues	\$ 6,405,960	\$ 6,628,000	\$ 6,999,158	\$ 7,083,279	\$ 677,319
Fund Balance Available	\$ 1,028,527	\$ 1,028,527	\$ 319,000	\$ 319,000	\$ (709,527)
Cancelled Reserves	214,400	214,400	269,753	100,000	(114,400)
Total Financing Sources	\$ 7,648,887	\$ 7,870,927	\$ 7,587,911	\$ 7,502,279	\$ (146,608)
Salary and Benefits	\$ 4,200,935	\$ 4,146,399	\$ 4,716,043	\$ 4,701,119	\$ 500,184
Services and Supplies	2,467,093	2,510,267	2,712,133	2,676,425	209,332
Other Charges	700	700	735	735	35
Fixed Assets	0	0	0	0	0
Gross Expenditures	\$ 6,668,728	\$ 6,657,366	\$ 7,428,911	\$ 7,378,279	\$ 709,551
Contingencies	192,800	0	159,000	124,000	(68,800)
New Reserves	787,359	787,359	0	0	(787,359)
Total Financing Requirements	\$ 7,648,887	\$ 7,444,725	\$ 7,587,911	\$ 7,502,279	\$ (146,608)

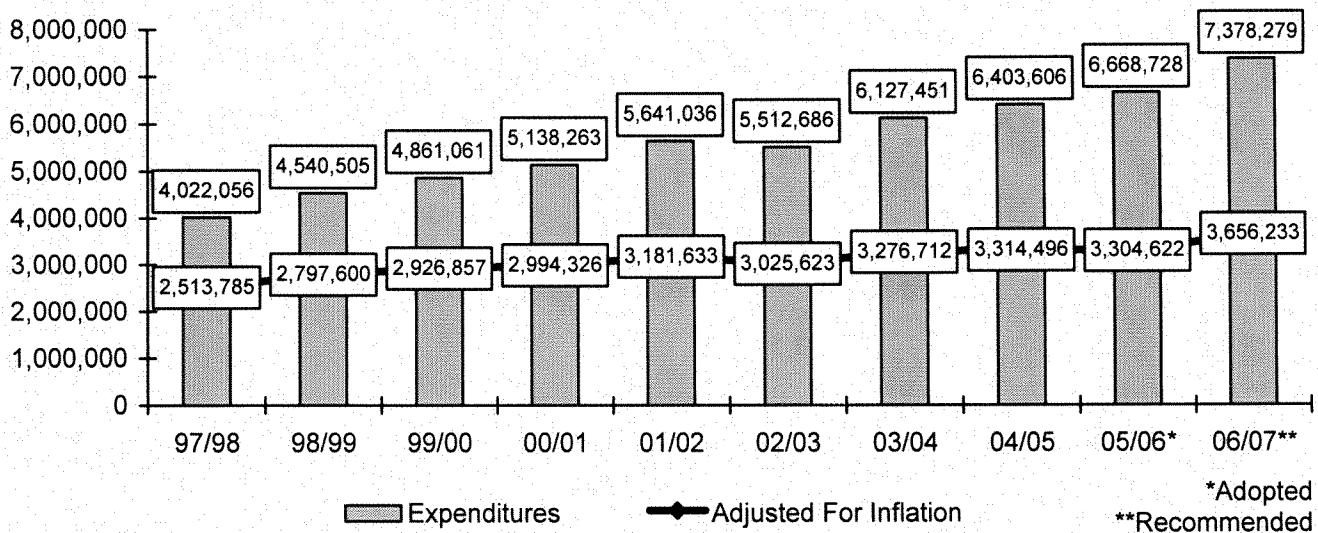
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Library

Maintain and manage a countywide library system with strong regional libraries, coordinating with smaller branch libraries and a bookmobile, to provide books, materials, and services, to effectively and efficiently meet community needs. Design and implement customized library services to meet the needs of specific locales and groups including children, Spanish speakers, and off-site users.

Total Expenditures: \$7,378,279 Total Staffing (FTE): 79.5

DEPARTMENT COMMENTS

Customer Service

FY 2005-06: On the positive side, library service was restored in Oceano in October 2005 after a hiatus of thirty years. The Morro Bay Branch Library got an "extreme makeover" in December 2005 using a model that emphasizes customer initiated self-check out for library materials plus a new approach to marketing and display. We implemented downloadable audiobooks in September 2005. Since that time, over 700 customers have availed themselves of this service almost 2,400 times. Public wireless access to the Library's book/materials catalog was established both in SLO and in Morro Bay. By June 1, 2006 it will also be available at Los Osos, Atascadero, Arroyo Grande, Nipomo, and Cambria. On the negative side, library customers and staff suffered over sixty partial- and/or full-day random closures due to illness and other unplanned staff absences. Even so, the annual customer satisfaction survey saw an improvement of 2.7% in "extremely" or "very satisfied" categories.

FY 2006-07: Additional staff have been requested to eliminate future random closures. We have also included funds in our budget to "makeover" at least one and perhaps three libraries similar to what was accomplished in Morro Bay.

Internal Business Processes

FY 2005-06: We have been using our annual customer exit survey in order to fine-tune internal processes. In order to improve customer service and increase staff productivity, we purchased two self-check machines for Morro Bay. In the San José library system, where these self check machines have been used extensively, about 90% of their circulation occurs in a self serve fashion, thus freeing up staff for other duties. We hope to emulate this example in Morro Bay, and elsewhere once their remodels are complete.

FY 2006-07: We will continue the annual customer exit survey and may add some new questions about our current/future service directions. It is likely that a new and more user-friendly Library automation system will be in place by late 2006 which should improve services to the Black Gold cooperative, of which we are a member and which operates our book/materials computer catalog. Staff workflow should be enhanced and customers will probably notice a computer interface that is easier to use. Results of these improvements should be evident in the internal High Performance Management evaluations as well as the customer exit surveys.

Financial Health

FY 2005-06: The Library is fine-tuning multi-year revenue/expenditure projections and exploring ways to promote cost control, avoidance, and reduction. Potential cost savings exist in the way we order, process, and distribute books/materials. A first-ever, countywide fund raising effort entitled "More than Books, It's our Future..." is being launched in March 2006, with a goal of \$100,000 by the end of the fiscal year. An additional \$126,000 was realized in property tax revenues. Some of these funds will be spent on equipment and also on books/materials since we are spending well below our targets as listed in the Library Budget outcome measurements.

FY 2006-07: The Library should be eligible for substantial discounts on local and long-distance telephone charges via the Federal e-rate program. We applied for the first time in many years and this discount may be worth in the range of \$7,800. We expect the retail "makeover" approach noted above to be accomplished within existing financial resources and hold down future increases in personnel costs.

Learning & Growth

FY 2005-06: All Library staff participated in various training events, including All Staff Day in October 2005, plus harassment and emergency training, and a workshop on Readers' Advisory services. All Staff Day is a day when all branch libraries are closed and all staff required to attend. This is an opportunity for Countywide staff training to promote better customer service overall, and includes specific information to help customers using Readers' Advisory services, be aware of new Library programs, and utilize changes in Library technology more efficiently/effectively. Topics covered during this Day included the new Library service model being implemented in Morro Bay. "Readers' Advisory" is a technique to help customers identify books and other materials based upon their preferences and tastes. Also, all staff are participating in High Performance Management training as a pilot department for the County. Several staff attended the annual Public Library Association Conference in March 2006 and the Library Director will attend the American Library Association Conference in June 2006. Both of these conferences offer exposure to innovations in Library technology, improvements in Library services/processes, plus issues of national interest, famous authors, networking with other library staff, and many other benefits.

FY 2006-07 High Performance Management (HPM) techniques will be used to help all employees to develop a personal learning and growth plan by July 2007. Also by this date, the HPM process will be used to develop for a training needs assessment process. All staff will be trained to be competent users of the new book/materials catalog system by March 2007.

RECOMMENDED BUDGET AUGMENTATION REQUESTS AND RELATED RESULTS

Unit Amount	Description	Results
Gross: \$277,814 General Fund Support: \$64,111	8 full time Administrative Assistant (AA) positions plus the increase of two existing half time AA's to full time, for a total of 9 full time equivalent (FTE) positions. These positions will be allocated as follows: 1.5 FTE to San Luis Obispo, 1.5 FTE to Atascadero, and 1 FTE each to the Arroyo Grande, Morro Bay, Los Osos, Nipomo and Cambria branches.	<ul style="list-style-type: none"> Unplanned closures will be reduced by 99%. Open hours are expected to increase by 5.5% (4 additional hours each to Morro Bay, Los Osos and Cambria and 3 additional hours each to San Luis Obispo, Arroyo Grande, Atascadero, and Nipomo) once all vacancies and new positions are filled. These additional open hours are determined based on current staffing levels per branch and the opportunities to stay open longer with the allocation of new staff.
Gross: \$23,231 General Fund Support: \$0	1 half-time Department Personnel Technician.	<ul style="list-style-type: none"> This position will assume routine personnel related duties from the existing Administrative Services Officer, who will then devote time required to oversee several maintenance and remodel projects planned over several years.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The recommended budget reflects a 23% increase in General Fund support (\$105,585), raising the total contribution from the General Fund to \$563,929. This increase is recommended to cover the following:

- Prevailing wage increases for the Library Director and eight Administrative Assistant positions, as in previous years;
- The staffing costs associated with the Oceano Library (previously paid for by revenue generated by the local community); and
- A portion of the cost to add 9.5 positions to the Position Allocation List, described in the table above.

Overall, revenues are increasing by approximately \$677,000, or 10%. The largest portion of which is due to an increase of almost \$576,000 in property taxes from the Secured Assessment Roll. In addition, the department projects a Fund Balance Available of \$319,000 to help fund the FY 2006-07 budget. It is recommended that the department cancel \$100,000 in General Reserves to balance the budget and fund expenditures increases described below.

Given the continued positive growth in revenues for the Library, it is recommended that the department add staff in order to ensure that all 15 Library Branches remain open as scheduled, and to increase open hours for some Branches. Since the department eliminated almost 16 full-time equivalent of temporary help in January 2005, the Library has experienced more than 67 unplanned closures due to staff illness or vacation and the lack of personnel to provide back up in these situations. It is recommended that nine full-time equivalent Administrative Assistants, and one half-time Department Personnel Assistant be added to the Library's Position Allocation. The total cost to add these 9.5 positions is approximately \$301,000. With the addition of these positions, it is expected that unplanned closures will be reduced by 99% and open hours are expected to increase by approximately 5% for the medium and large sized branches (for a total of 24 additional hours system wide) once these positions are filled and the Library is fully staffed.

Services and supplies are recommended to increase by more than \$209,000, primarily due to an increase in the amount allocated to purchase books and other library materials. This augmentation is added to the \$156,000 increase adopted by the Board in the FY 2005-06 budget, and would raise this allocation to \$700,000 (a 59% increase compared the actual expenditures for library materials in FY 2004-05). It should also be noted that the department receives gift funds from various individuals and organizations such as the Friends of the Library. In 2004-05, the total of gift funds received was \$89,195. Use of these funds is typically specified by the donating entity, and are generally used to purchase additional library materials. Other increases in the Services and Supplies accounts reflect inflationary cost increases.

Also included in this recommended budget is \$102,000 in Public Facilities Fees to help pay 50% of the cost to remodel the San Luis Obispo and Arroyo Grande Branches in FY 2006-07. The Library plans to integrate self-check out systems into these remodels, so that staff will be more available to assist patrons searching for materials. The goal is to increase circulation of library materials without the need to increase staffing levels.

It is important to note that this proposed budget reflects a funding level that will allow the Library to slightly increase their current levels of service, as described above, and reduces the likelihood of the depleting its reserves in the near future. This level of funding will not be sufficient to open and operate new libraries, or significantly increase operation in expanded Library facilities. Demands for new or expanded Library operations will continue to be a challenge in the future.

GOALS AND PERFORMANCE MEASURES

Department Goal: Maximize onsite and remote public access to library materials, services and programs.

Communitywide Result Link: A livable community.

1. Performance Measure: Percentage of hours per week the 15 Branch libraries and the Bookmobile are open to the public as compared to an ideal schedule of hours.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
397 = 73%	365 = 67%	365=67%	323=60%	323=60%	313=58%	313=58%

What: As noted in the Library's staffing plan, the ideal weekly schedule of open hours is defined by the size of the library (square footage) and the population served. Using this criteria, five library levels have been defined. Ideal open hours for the largest branches, levels 1&2 (San Luis Obispo City, Atascadero and Arroyo Grande) is 60; level 3 (Los Osos, Morro Bay and Nipomo) is 54; level 4 (Cambria) is 46; level 5, 10 hours for Simmler and 20 for the other smallest libraries (Santa Margarita, Cayucos, San Miguel, Creston, Shandon, Shell Beach and Oceano). The total ideal weekly schedule of open hours, systemwide, is 538.

Why: Ideal open hours ensure maximum utilization by community members.

How are we doing? Countywide community meetings held in 2002 and library voter surveys in 2003 and 2004 indicated that the public wants increased hours, especially evenings and weekends. The unsuccessful passage of the library's funding initiative in November 2004 required an 8% reduction in library hours systemwide and reduced service in the three largest Branches from six days to five. Libraries must also close if staffing levels fall below established minimums for safety and security reasons. Inadequate staffing required libraries to reduce hours or close over 50 times in 2005, or an average of 22 hrs/wk. In 2005, a branch library opened in Oceano, thanks to fund-raising efforts spearheaded by community leaders and the 05/06 projected results is a combination of an additional 15 hours/wk representing the new Oceano library and reductions reflecting random closures. The first goal of the Library is to minimize closures. The second goal would be to add back one day and increased evening service for the three largest "highway" branches, San Luis Obispo, Arroyo Grande and Atascadero, once funding becomes available.

Department Goal: To provide a diverse collection of books, materials and resources to meet research, educational and recreational needs of the community.

Communitywide Result Link: A livable community.

2. Performance Measure: Annual number of items circulated per capita.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
7.6	7.2	7.1	5.8	7.5	7.0	7.0

What: The average annual number of items circulated per resident for public libraries serving comparable populations is 7.9. Fifty public libraries serving a population of 200,000 to 250,000 across the nation were used for the statistical sample (*Public Library Data Service 2005*).

Why: High circulation reflects success in meeting recreational reading and information needs of county residents.

How are we doing? Our circulation per capita is lower in comparison to similar public libraries throughout the nation. Library hours were reduced in May 2003 and again in January 2005, which accounts for some of the decrease. The total number of books and library materials that circulated in the county in 04/05 was 1,409,206. As an efficiency measure, in 04/05 the library saved county residents from purchasing approximately \$335,230,150 in books and library materials (items circulated x \$25). Several factors should add to increased circulation figures in the future. One is a new way of marketing library materials, highlighted by the remodeled Morro Bay Library, which opened in January 2006. A second factor is the addition of downloadable books, which allows library patrons to download library materials online from home or business. Third, opening Branch libraries additional hours will increase circulation.

3. Performance Measure: Annual expenditures per capita for library materials to include new and replacement copies.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
\$2.42	\$2.28	\$2.04	\$2.36	\$2.00	\$2.44	\$2.50

What: The average annual expenditure per capita for library materials in libraries serving comparable populations is \$4.07. Fifty public libraries serving a population of 200,000 to 250,000 across the nation were used for the statistical sample (*Public Library Data Service 2005*).

Why: Adequate per capita spending is needed to keep a viable and current collection of library materials.

How are we doing? Expenditure per capita continues to be low compared to similar public libraries throughout the nation. Limited finances, coupled with increases in uncontrollable costs, continue to result in fewer dollars per capita being spent on books and materials. Our neighbor, Santa Cruz City-County Library expends significantly higher funds at \$4.20 per capita. Unanticipated increases in property taxes are responsible for a slight increase in the 04-05 actuals and if the trend continues, there should be a continued increase in funds allocated for the materials budget. Despite higher revenues, we remain in the bottom 24% of benchmark public libraries surveyed.

4. Performance Measure: Percentage of the science, technology and consumer health materials, systemwide, which are current.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
27%	28.6%	45%	45%	50%	50%	60%

What: Consumer health and medicine, computer technology and software, and consumer law materials systemwide, should be current (Current is defined as published within the last 5 years.)

Why: These subjects are time critical and become obsolete quickly.

How are we doing? Concentrated efforts to replace outdated materials with new titles and refinement of the weeding process in critical areas are an ongoing priority for all libraries. It is evident from the lack of increase in currency in 04-05 that funds need to be targeted for this particular part of the collection and weeding of older materials needs to occur. March and April of 2006 have been designated for extensive weeding of out-of-date materials and purchase of new or revised editions for designated areas.

5. Performance Measure: Annual expenditures per capita for total Library budget.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
\$23.11	\$24.30	\$24.03	\$27.37	\$29.00	\$29.00	\$35.00

What: The average annual expenditure per capita for the total library budget in libraries serving comparable populations is \$29.06. Fifty public libraries serving a population of 200,000 to 250,000 across the nation were used for the statistical sample (*Public Library Data Service 2005*).

Why: Adequate funding is vital to providing excellent library service.

How are we doing? The actual results for 04/05 are below the average of public libraries surveyed. One of the libraries surveyed, our neighbor Santa Cruz City-County Library, was significantly higher at \$49.96. Fundraising efforts will continue in the private sector and increasing property taxes may increase the per capita expenditure in the future.

Department Goal: To provide excellent customer service (access to materials and programs, reference assistance and reader's advisory) to county residents, both in person and electronically via home and business computers.

Communitywide Result Link: A livable community.

6. Performance Measure: Percentage of library users that is extremely or very satisfied with library services in the county.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
75%	89%	89%	87.6%	91%	91%	92%

What: This measures the extent to which library users are satisfied with library service in the county

Why: Libraries provide access to information in a wide variety of formats that increase the educational, cultural and recreational opportunities in a community.

How are we doing? The library has worked with Taylor and Associates to develop and distribute customer satisfaction exit surveys on a regular basis. In May 2003, volunteers distributed and collected surveys in the larger branches. Library users were "extremely satisfied" (50.9%) or "very satisfied" (38.1%) with library service for a combined total of 89% extremely or very satisfied customers. In September, 2004, the library again used volunteers to distribute and collect customer satisfaction exit surveys to measure the impact of focused customer service training in 2003/04. This time, all the library branches were surveyed. Library users were "extremely satisfied" (54%) or "very satisfied" (33.6%) with library service for a combined total of 87.6%. The increase in "extremely satisfied" was an indicator of the emphasis placed on customer service training. A very low survey count (less than half the requested number) in the Arroyo Grande Branch Library may have impacted the overall survey results. Customers from the Arroyo Grande Branch were again surveyed in July 2005 after Library Administration worked with staff to address areas of concern. Supplemental survey results were outstanding and the Arroyo Grande Branch's overall customer service satisfaction (extremely or very satisfied) rose from 76.1% to 92.5%, a very significant gain. Surveys will again be taken in Spring of 2006, to track two areas of interest. The first will be to continue to monitor the Arroyo Grande Branch's customer service satisfaction and the second will be to monitor Morro Bay Library use and satisfaction rates after the remodel project that focuses on self-help and better merchandising of materials